

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	25260	Agenda Number	17.
---------------------	----------------	-------	----------------------	-----

Meeting Date:	6/27/2013	Department:	Austin Energy
----------------------	-----------	--------------------	---------------

Subject

Approve an ordinance authorizing the negotiation and execution of a Developer Participation Agreement with Seaholm Power, LLC, for construction of chilled water utilities to serve several facilities in the Seaholm Development District, in an amount not to exceed \$3,400,000.

Amount and Source of Funding

Funding is available in the Fiscal Year 2012-2013 Capital Budget of Austin Energy.

Fiscal Note

A fiscal note is attached.

Purchasing Language:	
Prior Council Action:	December 6, 2012 – Authorized reimbursement to Seaholm Power, LLC, for design and engineering services for chilled water lines and a mechanical room necessary for chilled water service connections.
For More Information:	Jeff Vice (512) 322-6087, Jim Collins (512) 322-6426.
Boards and Commission Action:	June 17, 2013 - Unanimously approved by the Electric Utility Commission on a 7-0 vote. Recommendation No. 20130617-023.
Related Items:	
MBE / WBE:	This contract will be awarded in compliance with the City of Austin Third Party Resolution No. 20120112-058.

Additional Backup Information

Austin Energy seeks authorization to negotiate and execute a Developer Participation Agreement with Seaholm Power, LLC, for reimbursement of construction costs associated with the installation of chilled water lines to serve several facilities in the Seaholm Development District, in an amount not to exceed \$3,400,000. The proposed agreement, pursuant to Section 212.071 of the Texas Government Code, includes the installation of transmission and distribution lines and mechanical room equipment necessary to deliver chilled water services to the former Seaholm Power Plant facility and a high-rise project. The transmission line constructed under this agreement will be part of a larger line that will eventually serve the new Central Library and, possibly, development on the Green Water Treatment Site.

Austin Energy would recover design and construction costs for service connections over time as part of a chilled water service agreement with Seaholm Power, LLC. In addition, Austin Energy expects to reduce costs and avoid delays through use of the proposed agreement which allows the developer's General Contractor to install chilled water

lines in concurrence with other construction work at the site.

On December 6, 2012, City Council authorized reimbursement of \$210,840 to Seaholm Power, LLC, for design and engineering services for the installation of these chilled water lines and the mechanical room. Austin Energy will be responsible for the installation of piping, heat exchangers and controls for the mechanical room.

Connection of new customers to Austin Energy's District Cooling (chilled water) system increases the potential electrical peak demand shift capability of the downtown system as well as increases gross revenue and profitability.